

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
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2178 Atlantic Ave HDFC,	:	Case No. 1-19-47287 (ESS)
	:	
Debtor.	:	<b>Re Docket Nos.: 243, 244, 245, 247</b>
	:	

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	:	
In re:	:	Chapter 11
	:	
2178 Atlantic Realty LLC,	:	Case No. 1- No. 20-42235 (ESS)
	:	
Debtor.	:	<b>Re Docket Nos.: 55, 56, 58, 60</b>
	:	

**ORDER APPROVING STIPULATION AND AGREEMENT BETWEEN  
2178 ATLANTIC AVENUE HOUSING DEVELOPMENT FUND CORPORATION,  
NOTEWORTHY FORECLOSURE LLC, AND 2178 ATLANTIC REALTY LLC**

Upon the Motions (the “**Motions**”) filed in the above-captioned bankruptcy cases (the “**Bankruptcy Cases**”) of 2178 Atlantic Avenue Housing Development Fund Corporation (the “**HDFC Debtor**”) and 2178 Atlantic Realty LLC (the “**Realty Debtor**”), for entry of orders, pursuant to section 105 of the Bankruptcy Code and Bankruptcy Rule 9019, approving that certain stipulation and agreement dated as of July 27, 2020 (the “**Agreement**”), by and among the HDFC Debtor, Noteworthy Foreclosure LLC (“**Noteworthy**”), and the Realty Debtor (together with the Realty Debtor, the “**Claimants**,” and with the HDFC Debtor, the “**Parties**”); and objections (the “**Objections**”) to approval of the Agreement having been filed by a creditor of the Realty Debtor in the Realty Debtor’s and HDFC Debtor’s case (the “**Objecting Creditor**”) and raised by the Office of the United State Trustee (the “**UST**”); and the Court having conducted hearings on the Agreement and the Objections (collectively, the “**Hearings**”);

and the Parties, Objecting Creditor, UST and Gelt LLC (“**Gelt**”), a creditor to the Realty Debtor purporting to hold a first-lien mortgage on the real property located at 2178 Atlantic Avenue, Brooklyn, New York 11233 (the “**Property**”) having appeared at the hearing; and on the record at the Hearings (a) the Objecting Creditor and UST having withdrawn their respective Objections subject to the modifications of the Agreement reflected in this Order and the record of the Hearings, (b) Gelt having consented to transfer of the Property from the Realty Debtor to the HDFC Debtor free and clear of its liens and claims, subject to payment of the Proceeds (as defined below) from the HDFC Debtor to the Realty Debtor and Gelt’s liens and claims attaching to the Proceeds, and (c) the Parties having consented to the modifications of the Agreement reflected in this Order and the record of Hearings; and the Court having found that, subject to the modifications of the Agreement reflected in this Order, the Agreement is in the best interests of each Debtor and their respective estates and creditors; and after due deliberation and good and sufficient cause appearing therefor, it is hereby ORDERED, ~~ADJUDGED, AND DECREED~~ THAT:

1. The Agreement *attached as Exhibit 1 of the Motions* is approved and the Objections have been withdrawn, subject to the modifications of the Agreement reflected in this Order; in the event of any conflict between the terms of the Agreement and this Oder, this Order shall prevail.

2. The HDFC Debtor shall make a single payment in the amount of \$850,000.00 (the “**Proceeds**”) on account of the Allowed Claim of the Claimants, which payment shall be made to the Realty Debtor and, notwithstanding anything to contrary in the Agreement, shall be held in the escrow account of counsel to the Realty Debtor. Within ten days of the date of entry of this Order, the Realty Debtor shall open a debtor-in-possession bank account (“**DIP Account**”), and

the Proceeds shall be transferred to the DIP Account. The Proceeds shall remain in the DIP Account and shall not be used or disbursed by the Realty Debtor absent further order of the Court entered in the Realty Debtor's bankruptcy case.

3. Pursuant to Bankruptcy Code section 363(f), and with the consent of Gelt, title to the Property shall be transferred from the Realty Debtor to the HDFC Debtor free and clear of all liens, claims, encumbrances and interests, and all such liens, claims, encumbrances and interests shall attach to the Proceeds in the order of priority under applicable law, including, for the avoidance of doubt, all interests of Gelt in the Property.

4. In connection with the closing of the transfer of the Property from the Realty Debtor to the HDFC Debtor, Gelt shall provide signed copies of release of lien, assignment lease and rent, and other documents (and authority to record the same) as may be reasonably requested by the HDFC Debtor and/or its title company as necessary to transfer the title to Property free and clear.

5. The transfer of title to the Property to the HDFC Debtor shall be exempt from any taxes, transfer taxes, recording fees, or other charges which may be exempted under Section 1146 of the Bankruptcy Code.

6. Each and every federal, state and local government agency or department ~~is directed to~~ may accept any and all documents necessary and appropriate to consummate the transfer of the Property outlined herein and a copy of this Order may be filed in any place where state, federal or local law permits filing or recording.

7. Counsel to the Claimants, Barry D. Haberman, Esq., is authorized and empowered to execute such documents, enter into such agreements, and to take such actions as are necessary to: (i) implement the terms of this Order; and (ii) effectuate the transfer of the Property to the

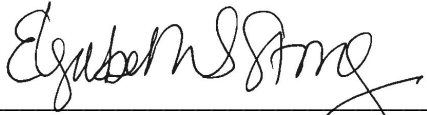
HDFC Debtor, including, without limitation, executing assignment documents and related closing documents on behalf of the Claimants to the HDFC Debtor.

8. This Court ~~shall~~ may retain ~~exclusive~~ jurisdiction over this Order and the Agreement, including jurisdiction to address and resolve any disputes that may arise in connection with this Order and the Agreement.

9. This Order shall not be stayed, but shall be effective immediately upon the date it is entered.

**Dated: Brooklyn, New York  
August 3, 2020**



  
**Elizabeth S. Stong**  
**United States Bankruptcy Judge**